



State Senator  
**Bruce Patterson**

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## Establishing Medical Savings Accounts

Legislation I introduced in the Senate would allow for income tax deductions for preventive health care services and that will establish a new medical savings account. In addition, the bills will allow for a single business tax or income tax credit for contributions to a medical savings account. The legislation is designed to give residents more power over their health care by allowing them to use tax-deferred funds for regular preventive measures such as mammograms, well-baby checks and annual physicals.



**Senator Patterson discusses Medical Savings Accounts with Speaker Dennis Hastert, the United States Congress (R-Illinois).**

## Business Links

- Access Michigan's one-stop shop for business permits and licenses through the Michigan Timely Application and Permit System, located online at: <http://michigan.gov/mitaps/>
- Be part of the movement to keep college graduates in Michigan communities by advertising job opportunities in the fields of information technology, science and engineering on the Michigan Career site located at: <http://jobs.michigan.org/employer/whatwecando/>
- Visit the Michigan Economic Development Corporation website, [www.michigan.org](http://www.michigan.org), to access a variety of business resources and information.



## Receive E-Legislative Updates!

**If you would like to receive periodic legislative updates via email, please send a short note to**

**[senbpatterson@senate.michigan.gov](mailto:senbpatterson@senate.michigan.gov). Electronic mail is an inexpensive and convenient method to transmit information to interested citizens.**

## JOBS UPDATE '04



# STATE SENATOR BRUCE PATTERSON

## Serving the 7th District

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### Dear Friend:

As Michigan begins to join the national economic recovery, I want to provide you with an update on our focus of bringing new job opportunities into our communities. As your state senator, I am working hard to help create new jobs, enhance existing jobs and promote a healthier and more competitive business environment in Michigan.

As your voice in the Michigan Senate, I want to share some information that may be helpful to you. For more information on these topics, or on any other legislative issues, please contact my office toll-free at 1-(866) 262-7307 or by e-mail at [senbpatterson@senate.michigan.gov](mailto:senbpatterson@senate.michigan.gov). Best wishes for a productive and prosperous year.

Sincerely,

**Bruce Patterson**  
State Senator





## Punching the Clock on JOBS

The Michigan Senate has made great strides passing legislation that focuses on creating job opportunities for Michigan workers. The JOBS Action Plan is a comprehensive package of bills that aims to provide help to the men and women who are helping build a stronger and more diverse economy within our state.

**Many components of the JOBS Action Plan have already become law, including:**

- ✓ Revitalizing the state's tool and die industry;
- ✓ Reauthorizing the Michigan Economic Growth Authority to continue the state's main tax-incentive granting authority;
- ✓ Creating a venture capital investment incentive to spur new investment in Michigan businesses, particularly in the high-tech and life sciences industries;
- ✓ Establishing a Clean Michigan Initiative revolving loan program to accelerate the clean up of abandoned brownfield sites;
- ✓ Expediting the 2002 voter-approved Sewer Bond Initiative to allow communities to start much-needed sewer projects sooner; and
- ✓ Implementing forest management changes to create new job opportunities in Michigan's timber industry while enhancing forest health.

## Fighting for Fair Water Rates

Ever since legislation to give all Detroit water customers the same rates and say in how their water is managed was vetoed by the governor last year, I've been fighting non-stop to ensure fair practices and affordability for everyone.

All Detroit Water and Sewage Department customers need a voice in, and full disclosure of, how their water is managed and how rates are set. Living in the suburbs should not preclude residents from being heard - if they buy water from DWSD, then DWSD should listen to their concerns.

I am fighting hard so you have the assurance that your water is safe, reliable and affordable. The governor, nor many Detroit officials, seem to care about the non-Detroit residents and have turned their back on them. We should not be playing politics with water, yet it seems to have come to this.

We have asked that until the disagreements and discrepancies have been handled, and until an audit of the DWSD has occurred, the water rates should be frozen. To date, nothing has been done, leaving residents with exorbitant bills and causing more distrust of the department and city.

It is imperative that questions about DWSD rate-setting procedures are answered and I believe all DWSD customers in southeast Michigan deserve full disclosure of the water rates based on the true cost of service. I pledge to continue the fight for fair water rates.

## Encouraging Small-Business Growth

Small-business owners play a crucial role in Michigan's economy, and the Michigan Senate has worked hard this year to help them succeed. According to the U.S. Small Business Administration Office of Advocacy, businesses with fewer than 500 employees account for 99.7% of all employers and create 60% to 80% of net new jobs. There were more than 211,000 non-farming small businesses operating in Michigan in 2002, employing a total of more than two million workers.

The Senate and House both passed legislation to provide tax relief for new jobs by offering a tax credit to small businesses that add jobs and legislation to exempt qualified start-up businesses from certain taxes during their first five years of operation – traditionally the toughest years for businesses.

In addition, the Senate Finance Committee is considering a bill that would exempt the first \$7,500 in personal property value from taxation for businesses.

## Cutting Through Red Tape

The Senate completed work this summer on a comprehensive package of bills that would implement a processing deadline on nearly every permit or license issued to businesses in the state of Michigan.

The Red-Tape Reduction Package is part the JOBS Action Plan for revitalizing the state's economy. Many of the bills in the package have already become law.

**The framework established by the new bills would:**

- ✓ Implement a fixed processing deadline for issuance of a permit or license;
- ✓ Require the state to notify applicants within 30 days if an application is incomplete and requires additional information;
- ✓ Refund the current application fee, and provide a 15-percent discount on the subsequent period's application fee, if a deadline is not met; and
- ✓ Require departments to provide reports to legislative committees to ensure the new laws are making permit and license processes more efficient and timely for businesses.

The new laws would affect licenses for new businesses as well as operational permits for current job providers. The change is similar to provisions in the recently signed groundwater and surface-water discharge permit laws.

## Keeping Michigan On the Cutting Edge

Michigan has become a hotbed for research and development in the life sciences, automotive and high-tech industries. The following measures have already been signed into law and are helping create a more competitive business environment in our state:

Government-funded research and development grants are now exempt from state taxes. The measure will help promote the research industry in Michigan. Previously, such grants were used to calculate a business's Single Business Tax burden although the grants could not be used to pay the tax.

The creation of state-lab accreditation program will expand the use of private labs for state business. This change will increase competition and create new jobs.

Legislation to create venture capital investment incentives also will help to spur new investment in Michigan businesses, particularly in the high-tech and life sciences industries.

